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1 November 1982

MEMORANDUM FOR: Director of Central Intelligence

VIA: Deputy Director of Central Intelligence

FROM:
Director, Intelligence Community Staff

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SUBJECT: Preparation of the DCI's Annual Report to the Congress

1. Action Requested: That you review the Terms of Reference contained in Attachment A and, if you approve, sign the memorandum to the key Program Managers and the memorandum to the D/NRO contained in Attachment B. ☐

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2. Background: The Office of Planning of the Intelligence Community Staff will manage the preparation of your annual report to the Congress. The format and content of the Annual Reports of the past few years have prompted favorable reactions from Congress, and we propose that the basic model be maintained this year. ☐

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Your overview last year emphasized the theme of rebuilding, and discussed initiatives by you and your Program Managers to rebuild Intelligence Community capabilities. We suggest you use that theme as the point of departure in discussing the efforts undertaken this year, in the continuing process of rebuilding started in 1981, to restore balance to the overall US Intelligence capability as we rebuild. We propose to focus the discussion on the three areas identified by the President as requiring special attention: HUMINT, analysis, and counterintelligence. We recommend stressing the progress to date and the continuing efforts to bring HUMINT into balance with the other INTS, analysis into balance with collection, and counterintelligence activities to protect intelligence into balance with the total NFIP effort to generate that intelligence. ☐

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Last year, you invited the FBI to contribute a separate report for the first time, together with the customary submissions from the CIA, DIA, NSA, and INR. We believe that their report contributed to the completeness of the counterintelligence discussion, and that the Annual Report became closer to a corporate report with their inclusion. With survivability of NFIP assets under intensive study throughout the Executive Department, we recommend that the NRO Program Manager also be invited to contribute a separate report, and thereby complete coverage of the major Community programs. ☐

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3. Recommendation: That you note any changes you would like to make in the Terms of Reference, and that you sign the attached memorandum notifying the Program Managers of your request for contributions and the separate memorandum to the NRO Program Manager inviting his participation. ☐

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Attachments:
a/s

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1 November 1982

TERMS OF REFERENCE

DCI ANNUAL REPORT TO THE CONGRESS

The Office of Planning of the Intelligence Community Staff will manage the preparation of the DCI's Annual Report to the Congress. Congress has reacted favorably in the past three years to the format and content of the Annual Report, i.e., a DCI Overview and separate reports each from the CIA, DIA, NSA, INR, and the FBI. The theme of the 1981 Report was rebuilding which seemed appropriate for the first report by the DCI and several agency directors. This year, the theme will be that of restoring balance to the overall US Intelligence capability as we rebuild, and will focus on efforts to bring HUMINT into balance with the other INTS, analysis into balance with collection, and counterintelligence activities to protect intelligence into balance with the total NFIP effort to generate intelligence. ☐

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Format

The Annual Report will contain seven sections: a DCI Community Overview; a report from the DDCI on CIA activities; and a report each from the directors of DIA, the FBI, NSA, and INR. There will be a set of issues that the DCI will address independent of what individual agency directors may choose to discuss. There also will be a set of issues that the DCI will address in the aggregate, and request that the individual agency directors discuss in greater detail and from their individual perspectives. Finally, agency directors are encouraged to address events and issues of particular significance to them. The length of last year's agency reports ranged from six to ten pages in final published format; this range should be adhered to again this year. ☐

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The DCI's Overview

The theme of the DCI's overview this year will be that of balance; it will tie US intelligence developments and world events in 1982 together with last year's theme of rebuilding to provide a report on the progress made in restoring balance to the NFIP. As has become tradition, the overview will begin with a discussion of intelligence support to policy formulation. This will be followed by a discussion of three programmatic areas identified by the President as requiring emphasis in the rebuilding process: HUMINT; analysis; and counterintelligence. Finally, there will be a section entitled "1983 and Beyond" after last year's final section. The look ahead this year will focus on the Intelligence Community's need to compete successfully for the skilled manpower it requires. ☐

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Introduction - The introduction will be used to restate the theme for the 1981 Annual Report, and discuss in broad terms the progress made during 1982; it will be prepared by the Office of Planning/ICS. Organizational changes will be addressed, as well as planning activities and budgetary initiatives in response to those efforts. ☐

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Intelligence Support to Policy Formulation - This section will be written by the NIC as it was last year. It will be divided into two parts: the procedural and operational performance based on improvements to the NIE process initiated in 1981; and a review of significant world events of both crisis and long-term concern in 1982. ☐

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HUMINT - The Office of HUMINT Collection/IC Staff will take the lead in discussing the progress made in rebuilding the Community's HUMINT capabilities, and redressing the imbalance that had grown between it and the other INTS. The discussion will be broad in scope, leaving more detailed statements for the respective agency directors. The emphasis will be on trend analysis rather than specific programs. ☐

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The other INTS, PHOTINT and SIGINT, will be addressed in a subsection to be prepared jointly by OICE, OSC, and OA&E of the IC Staff. The message to be conveyed is that by 1985 the Community will begin to benefit from a number of new starts that are in the pipeline. This section also will include a discussion of the difficult tradeoffs involved in the survivability issue. ☐

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Analysis - This section will be prepared by the DDI and will address the Community's analytical strengths and weaknesses with respect to such factors as manpower, skills, productivity, and tasking. The overriding theme will be that of redressing the imbalance between collection and analysis, questions of quality of analysis, and consumer relations. Several major events of 1982 will be contrasted with the 1985 Capabilities Study for an assessment of collection strengths and weaknesses. Specific agency programs and initiatives will be left for agency directors to discuss in their respective reports. ☐

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Counterintelligence - This topic is the only one that is specifically requested by Congress. This section will be written by the Community Counterintelligence Staff/IC Staff, as it has been in the past years, in close coordination with the FBI. Its emphasis will be on Community efforts to promote coordinated activities and generate greater resources to address the IC and CM issue as described in the NSSD-2 Study. The Technology Transfer Intelligence Committee/ICS will be asked to discuss the counterintelligence implications of the technology transfer issue during the year. ☐

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1983 and Beyond - As a final variation on the balance theme, the Office of Planning will address manpower as a resource whose particular needs will be given special attention in the coming year to anticipate the consequences of demographic trends. The task of recruiting, retaining, and training the highly skilled personnel the Community will require over the next decade will become increasingly difficult, and imaginative, and farsighted responses will be necessary if the Community is to compete successfully with the private sector. Societal changes will influence present work force attitudes, and will determine future relationships with work in general. The Community will review the manpower issue in the coming year to determine the need for and qualifications of our future specialists and generalists/managers, and what steps need to be taken to encourage leadership to emerge from these two groups. ☐

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Agency Overviews

If the past is any guide to what can be expected in the individual agency reports, virtually all--CIA, DIA, NSA, and INR--will discuss their responses to world events. The other area where the response can be predicted is that of counterintelligence, where the CIA, DIA, and FBI traditionally have elected to address the subject. HUMINT and Analysis are being discussed in greater detail this year than before; CIA and DIA are urged to address HUMINT separately; CIA, DIA, NSA, and INR are requested to address the quality of analysis issue in their separate contexts. All are invited to address manpower, but that is an option as are any other issues they may wish to address separately. ☐

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Timing

Outlines for each section of the Overview are due by 15 November 1982 with the specific contribution to the DCI's Overview due by 15 December 1982. Individual agency reports are due by 1 January 1983. The Overview will be ready for the DCI's review by 1 January, and the entire report will be sent to the printers by 15 January 1983, and published by 31 January 1983. In order to expedite the editing and printing process, contributions are to be submitted on NBI System 3000 discs where possible. ☐

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The Director of Central Intelligence

Washington, D. C. 20505

82-12852

MEMORANDUM FOR: National Foreign Intelligence Program Managers

SUBJECT: Preparation of the DCI's Annual Report to the Congress

1. It is time again to prepare the Annual Report to the Congress. I believe that last year's report which began with a DCI overview of the Community followed by separate reports from CIA, DIA, NSA, INR, and the FBI, was comprehensive and informative, and, therefore, quite successful. This approach permitted us to address cooperatively and individually the progress we made toward meeting the needs of national policymakers and departmental intelligence consumers, and will be maintained this year. ☐

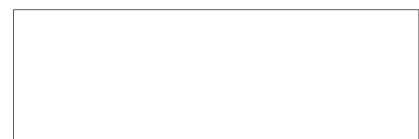
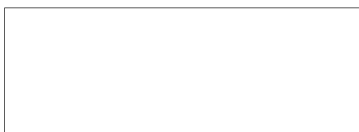
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2. You will note from the attached Terms of Reference that I intend to emphasize the theme of restoring balance to the NFIP as we rebuild. I am focusing on three areas of interest identified by the President--HUMINT, analysis, and counterintelligence--with particular attention to efforts in 1982 to achieve balance in our intelligence capabilities. I also plan to address the support provided to policymakers of both a crisis and long-term nature. Finally, I again intend to devote some attention to a look to the future; this year I would like to address the challenges facing the Community in recruiting, retaining, and training the highly skilled personnel we will require in the coming years. ☐

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3. As in previous years, I invite you to take this opportunity to address the Congress personally in your own report. We are required to provide a review of US intelligence activities as well as the intelligence activities of foreign countries directed against the US or its interests. I would urge you, however, to devote some time to addressing those three key issues of HUMINT, analysis, as well as counterintelligence, where appropriate. ☐

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4. The preparation of the report is again being managed by the Office of Planning of the Intelligence Community Staff. Please submit the name of your action officer to who also is prepared to meet with you to discuss the report and will provide any assistance you might require.

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/s/ William J. Casey

William J. Casey

Attachment:

Terms of Reference

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The Director of Central Intelligence

Washington, D. C. 20505

5 NOV 1982

MEMORANDUM FOR: Honorable Edward C. Aldridge
Under Secretary of the Air Force

SUBJECT: Preparation of the DCI's Annual Report to the Congress

1. For several years, my predecessors and I have prepared annual reports to the Congress on the state of the Intelligence Community. Initially these were distributed only within the Executive Branch, but in 1977, the Congress legislated a requirement for an annual report from the Director of Central Intelligence, the Secretary of Defense, the Secretary of State, and the Director of the Federal Bureau of Investigation. That legislation calls for a review of the intelligence activities of all US agencies and departments, as well as the intelligence activities of foreign countries directed at the US or its interests. ☐

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2. You will note from the attached Terms of Reference that I intend to emphasize the theme of restoring balance to the NFIP as we rebuild. I am focusing on three areas of interest identified by the President--HUMINT, analysis, and counterintelligence--with particular attention to efforts in 1982 to achieve balance in our intelligence capabilities. I also plan to address the support provided to policymakers of both a crisis and long-term nature. Finally, I plan to devote some attention to a look to the future; this year I would like to address the challenges facing the Community in recruiting, retaining, and training the highly skilled personnel we require in the coming years. ☐

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3. The Annual Report has grown over the years to the point where it includes contributions from all the major NFIP Program Managers except the NRO. I would like to remedy that situation this year by inviting you to prepare a report on NRO activities for inclusion in the Annual Report. While the theme and topics I have elected to address this year generally fall outside the scope of the NRO, your contribution would provide a welcome balance to the presentation. ☐

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4. The preparation of the report is being managed by the Office of Planning of the Intelligence Community Staff. Please submit the name of your action officer to ☐ who also is prepared to meet with you to discuss last year's report and to provide any assistance you might require with this year's report. ☐

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/s/ William J. Casey
William J. Casey

Attachment:
Terms of Reference

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